



# ARIZONA STATE RETIREMENT SYSTEM

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*Paul Matson  
Director*

## MINUTES

### PUBLIC MEETING ARIZONA STATE RETIREMENT SYSTEM BOARD

**Friday, September 26, 2014  
8:30 a.m., Arizona Time**

The Arizona State Retirement System (ASRS) Board met in the 10th Floor Board Room, 3300 N. Central Avenue, Phoenix, Arizona. Mr. Kevin McCarthy, Chair of the ASRS Board, called the meeting to order at 8:31 a.m., Arizona Time.

The meeting was teleconferenced to the ASRS office at 7660 E. Broadway, Tucson, Arizona 85710.

#### **1. Call to Order; Roll Call; Opening Remarks**

Present: Mr. Kevin McCarthy, Chair  
Mr. Mike Smarik, Vice-chair  
Mr. Brian McNeil  
Mr. Jeff Tyne  
Mr. Marc Boatwright (via phone)  
Mr. Tom Connelly  
Mr. Tom Manos

Absent: Professor Dennis Hoffman  
Dr. Richard Jacob

A quorum was present for the purpose of conducting business.

#### **2. Approval of the Minutes of the August 22, 2014 Public Meeting of the ASRS Board**

**Motion:** Mr. Tom Manos moved to approve the Minutes of the August 22, 2014 Public Meeting of the ASRS Board. Mr. Jeff Tyne seconded the motion.

By a vote of 7 in favor, 0 opposed, 0 abstentions, and 2 excused, the motion was approved.

#### **3. Presentation, Discussion and Appropriate Action Regarding Outcomes of the ASRS Strategic Plan for Fiscal Year 2014**

Mr. Anthony Guarino, Deputy Director and Chief Operations Officer provided an overview of the Five-year Strategic Plan, approved by the Board in March, 2014. Mr. Guarino led a review of the following five plan priorities and their outcomes for the first reporting period: Ensure Plan Sustainability; Optimize Risk Management; Optimize Investment Organization and Strategies;

Ensure Outstanding Customer Service; and ensure High Productivity.

Mr. Guarino explained that the report in the meeting packet outlines objectives and performance measures of each Strategic Priority and its Outlook. The report also contains the data analysis and documented actions used by staff to assess the progress of each priority.

Mr. Paul Matson, Director, Mr. Guarino, Mr. Dave King, Assistant Director Member Services, and Ms. Sara Orozco, Manager Strategic Planning and Analysis, discussed each Strategic Priority and its Outlook.

#### **4. Presentation, Discussion, and Appropriate Action Regarding Investment Compensation Plan**

Mr. McCarthy tabled this agenda item and stated the discussion will be expanded to compensation for the Agency in general, including the impacts of Personnel Reform. These discussions will take place through an Ad Hoc Board Committee chaired by Mr. Tom Manos. Other Trustees on the Committee will be Mr. Tom Connelly, Professor Dennis Hoffman, Mr. Brian McNeil, and Mr. McCarthy.

The Committee will bring their discussion and their recommendations to the full Board.

#### **5. Presentation, Discussion, and Appropriate Action Regarding the Director's Report as well as Current Events**

Mr. Matson asked Mr. Kent Smith to provide an update of the call center phone problems of late. Mr. Smith reported the ASRS worked with AZNET and the cause of the problem has been identified as a bad hardware drive. AZNET will work with the ASRS to replace that drive.

#### **6. Presentation and Discussion with Respect to Informational Updates from Prior and Upcoming Committee Meetings**

##### **a. Operations and Audit Committee (OAC)**

Mr. Jeff Tyne, said the next OAC meeting will be held on October 7, 2014 at 10:30 a.m. in the 14<sup>th</sup> floor conference room.

##### **b. External Affairs Committee (EAC)**

Mr. Brian McNeil said the next EAC meeting will be held on October 6, 2014 at 10:30 a.m. in the 14<sup>th</sup> floor conference room.

##### **c. Investment Committee (IC)**

Mr. Tom Connelly, Chair, said the next IC meeting, held on October 20, 2014 at 2:30 p.m. in the 14<sup>th</sup> floor conference room.

#### **7. Board Requests for Agenda Items**

No requests were made.

